

<i>SERFF Tracking Number:</i>	<i>WESA-125692513</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>United States Liability Insurance Company</i>	<i>State Tracking Number:</i>	<i>#29532 \$50</i>
<i>Company Tracking Number:</i>	<i>PROF-CAP-08-32</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.0019 Professional Errors & Omissions Liability</i>
<i>Product Name:</i>	<i>Community Association Program</i>		
<i>Project Name/Number:</i>	<i>Professional Liability Submission/PROF-CAP-08-32</i>		

Filing at a Glance

Company: United States Liability Insurance Company		
Product Name: Community Association Program	SERFF Tr Num: WESA-125692513	State: Arkansas
TOI: 17.1 Other Liability - Claims Made Only	SERFF Status: Closed	State Tr Num: #29532 \$50
Sub-TOI: 17.0019 Professional Errors & Omissions Liability	Co Tr Num: PROF-CAP-08-32	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Edith Roberts
	Author: Westmont Associates	Disposition Date: 06/24/2008
	Date Submitted: 06/20/2008	Disposition Status: Approved
Effective Date Requested (New): On Approval		Effective Date (New):
Effective Date Requested (Renewal): On Approval		Effective Date (Renewal):
State Filing Description:		

General Information

Project Name: Professional Liability Submission	Status of Filing in Domicile: Pending
Project Number: PROF-CAP-08-32	Domicile Status Comments: Pending in Pennsylvania
Reference Organization: None	Reference Number: None
Reference Title: n/a	Advisory Org. Circular: n/a
Filing Status Changed: 06/24/2008	
State Status Changed: 06/24/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
Submission of the Company's Community Association Program Professional Liability product.	

Company and Contact

SERFF Tracking Number: WESA-125692513 State: Arkansas

Filing Company: United States Liability Insurance Company State Tracking Number: #29532 \$50

Company Tracking Number: PROF-CAP-08-32

TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.0019 Professional Errors & Omissions Liability

Product Name: Community Association Program

Project Name/Number: Professional Liability Submission/PROF-CAP-08-32

Filing Contact Information

(This filing was made by a third party - westmontassociatesinc)

Meghan Slenkamp, Analyst megghans@westmontlaw.com
 25 Chestnut Street (856) 216-0220 [Phone]
 Haddonfield, NJ 08033

Filing Company Information

United States Liability Insurance Company CoCode: 25895 State of Domicile: Pennsylvania
 25 Chestnut Street Group Code: 31 Company Type: Property and Casualty

Suite 105

Haddonfield, NJ 08033 Group Name: State ID Number:
 (856) 216-0220 ext. [Phone] FEIN Number: 23-1383313

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: \$50.00 filing fee
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
United States Liability Insurance Company	\$0.00	06/20/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
29532	\$50.00	06/12/2008

SERFF Tracking Number: WESA-125692513 State: Arkansas

Filing Company: United States Liability Insurance Company State Tracking Number: #29532 \$50

Company Tracking Number: PROF-CAP-08-32

TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.0019 Professional Errors & Omissions Liability

Product Name: Community Association Program

Project Name/Number: Professional Liability Submission/PROF-CAP-08-32

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted			
Approved	Edith Roberts	06/24/2008	06/24/2008			
Objection Letters and Response Letters						
Objection Letters		Response Letters				
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Edith Roberts	06/23/2008	06/23/2008	Westmont Associates	06/23/2008	06/23/2008

SERFF Tracking Number: *WESA-125692513* *State:* *Arkansas*
Filing Company: *United States Liability Insurance Company* *State Tracking Number:* *#29532 \$50*
Company Tracking Number: *PROF-CAP-08-32*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.0019 Professional Errors & Omissions Liability*

Product Name: *Community Association Program*
Project Name/Number: *Professional Liability Submission/PROF-CAP-08-32*

Disposition

Disposition Date: 06/24/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: WESA-125692513 State: Arkansas

Filing Company: United States Liability Insurance Company State Tracking Number: #29532 \$50

Company Tracking Number: PROF-CAP-08-32

TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.0019 Professional Errors & Omissions Liability

Product Name: Community Association Program

Project Name/Number: Professional Liability Submission/PROF-CAP-08-32

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Letter of Authorization	Approved	Yes
Supporting Document	Side by Side Comparison	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Form (revised)	Fiduciary Liability Coverage Endorsement - Arkansas	Approved	Yes
Form	Fiduciary Liability Coverage Endorsement	Approved	Yes

SERFF Tracking Number: WESA-125692513 State: Arkansas
Filing Company: United States Liability Insurance Company State Tracking Number: #29532 \$50
Company Tracking Number: PROF-CAP-08-32
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.0019 Professional Errors & Omissions Liability
Product Name: Community Association Program
Project Name/Number: Professional Liability Submission/PROF-CAP-08-32

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/23/2008
Submitted Date 06/23/2008

Respond By Date

Dear Meghan Slenkamp,

This will acknowledge receipt of the captioned filing.

Please refer to Form CHP-220 (6/08), page 3, Section VI, J. which states...."lessor of amount specified in ... Declarations...or \$1,000,000..." This language conflicts with AID Order 2003-0108, which states that the minimum limits for Fidiciary Coverage that contain defense within the limits of liability must be at least \$1,000,000. Please amend.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/23/2008
Submitted Date 06/23/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: Ms. Roberts:

In response to your Objection Letter dated 6/23/08, please find attached the Company's revised form CAP-220 (06/08). Please note that the form was revised to state that the limit of liability must be at least \$1,000,000.

If you have any additional questions, please do not hesitate to contact me.

SERFF Tracking Number: WESA-125692513 State: Arkansas

Filing Company: United States Liability Insurance Company State Tracking Number: #29532 \$50

Company Tracking Number: PROF-CAP-08-32

TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.0019 Professional Errors & Omissions Liability

Product Name: Community Association Program

Project Name/Number: Professional Liability Submission/PROF-CAP-08-32

Thank you.

Meghan

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Fiduciary Liability Coverage Endorsement - Arkansas	CAP-220 AR	06 08	Endorsement/Amendment/Conditions	Replaced		0	CAP-220 AR (06-08).pdf
Previous Version							
Fiduciary Liability Coverage Endorsement	CAP-220	06 08	Endorsement/Amendment/Conditions	Replaced		0	CAP-220 (06-08).pdf

No Rate/Rule Schedule items changed.

Sincerely,
Westmont Associates

SERFF Tracking Number: WESA-125692513 State: Arkansas
 Filing Company: United States Liability Insurance Company State Tracking Number: #29532 \$50
 Company Tracking Number: PROF-CAP-08-32
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.0019 Professional Errors & Omissions Liability
 Product Name: Community Association Program
 Project Name/Number: Professional Liability Submission/PROF-CAP-08-32

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Fiduciary Liability Coverage Endorsement - Arkansas	CAP-220 AR	06 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CAP-220 (3/04) Previous Filing #:		CAP-220 AR (06-08).pdf

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY COVERAGE
FORM**

FIDUCIARY LIABILITY COVERAGE ENDORSEMENT - ARKANSAS

This endorsement provides coverage for **Loss** (as defined herein) and **Defense Costs** (as defined herein) for a **Wrongful Fiduciary Act** (as defined herein). There is no coverage provided by this endorsement for the **Administration** of any **Plan**.

For purposes of coverage provided by this endorsement only, the coverage form referenced above is amended as follows:

- I. The terms and conditions of the above referenced coverage form that are applicable to “**Wrongful Act**” shall also apply to “**Wrongful Fiduciary Act**” except for Section VI. Lifetime Occurrence Reporting Provision.
- II. Section III. DEFINITIONS, is amended as follows:
 - H. “**Employee**” does not include an independent contractor or volunteer.
 - K. “**Insured**”, is deleted and replaced with the following:
“**Insured**” means the **Organization**, an **Employee Benefit Plan** and any **Fiduciary**.
 - L. “**Loss**” shall include damages and settlements which an **Insured** is legally obligated to pay as a result of a **Wrongful Fiduciary Act**, including a civil penalty of up to five percent (5%) imposed upon any **Fiduciary** under Section 502 (i) of **ERISA** and a civil penalty of up to twenty percent (20%) imposed upon an **Insured** under section 502 (l) of **ERISA**.

“**Loss**” does not mean:
 - a. That portion of any settlement or judgment which constitutes benefits due or to become due or which would be due, under the terms of an **Employee Benefit Plan**, including but not limited to attorney fees incurred by a beneficiary to recover benefits except to the extent that benefits and attorney fees are payable as a personal obligation of a **Fiduciary** because of a **Wrongful Fiduciary Act**;
 - b. Any **Loss** which is based upon, arises out of or is in consequence of the failure of an **Insured** to collect or ensure collection of contributions owed by the **Organization** to an **Employee Benefit Plan** unless the failure is because of the negligence of any **Fiduciary**; or
 - c. The return or reversion to the **Organization** of any **Employee’s** contribution to the **Insured** if such contribution is or could be chargeable to any **Employee Benefit Plan**.

III. Section III. DEFINITIONS is amended to add the following:

Z. “Administration” means providing advice, counsel, notice or interpretation to individual **Employees**, participants or beneficiaries with respect to an **Employee Benefit Plan**; handling individual records in connection with an **Employee Benefit Plan**; or performing duties in connection with the enrollment, termination or cancellation of **Employees**, participants or beneficiaries under an **Employee Benefit Plan**. **“Administration”** does not mean performing duties required under **ERISA** for the notification and education of plan participants as a group, concerning any **Employee Benefits Plan**.

AA. “ERISA” means the Employee Retirement Income Security Act of 1974.

AB. “Fiduciary” means any past, present or future director, officer, trustee or **Employee** of the **Organization** who exercises discretionary authority or discretionary control respecting management of an **Employee Benefit Plan** or management or disposition of its assets, renders or has authority or responsibility to render investment advice for a fee, or has discretionary authority or responsibility in the administration of such plan.

AC. “Fiduciary Claim” means:

(1) Any written notice received by any **Insured** that any person or entity intends to hold such **Insured** responsible for a **Wrongful Fiduciary Act**; or

(2) Any written demand for monetary or non-monetary relief received by any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Fiduciary Act**; or

(3) Any judicial or administrative proceeding initiated against any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Fiduciary Act**.

A **Fiduciary Claim** shall be considered first made when an **Insured** or its legal representative or agent first receives notice of such claim.

AD. “Employee Benefit Plan” means any employee welfare benefit plan(s) or employee pension benefit plan(s) identified in the **Application** for this Policy as each are defined by **ERISA**, which is sponsored by the **Organization** solely for the benefit of **Employees** of the **Organization**. **Employee Benefit Plan** does not mean workers’ compensation, unemployment insurance, social security, or disability benefits or any similar benefits provided under any federal, state, or local law or common law.

AE. “Wrongful Fiduciary Act” means any actual or alleged breach of the responsibilities, obligations or duties imposed on a **Fiduciary** by **ERISA**. The same **Wrongful Fiduciary Act**, and interrelated series of **Wrongful Fiduciary Acts** or a series of similar or related **Wrongful Fiduciary Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Fiduciary Act** and to have commenced at the time of the earliest **Wrongful Fiduciary Act**.

However, **Wrongful Fiduciary Act** does not mean any actual or alleged negligent act, error or omission in the **Administration** of any **Employee Benefit Plan** by a **Fiduciary** or the **Organization**.

IV. Section IV, EXCLUSIONS, G. is deleted in its entirety.

V. Section IV, EXCLUSIONS is amended to add the following:

- S. The **Company** shall not be liable to pay any **Loss** or **Defense Costs** in connection with any **Fiduciary Claim** made against the **Organization** or any **Fiduciary** based upon, directly or indirectly arising out of or in any way involving the **Organization's** or **Fiduciary's** failure to obtain or maintain adequate insurance or bonds covering **Employee Benefit Plan** property or assets.

VI. Section V, LIMITS OF LIABILITY AND RETENTION, is amended to add the following:

- J. The maximum limit of liability of the **Company** for Fiduciary Liability under this endorsement shall be the the amount specified in the Policy Declarations as "IN THE AGGREGATE". However, if the "IN THE AGGREGATE" limit is less than \$1,000,000, the limit of liability for Fiduciary Liability shall be \$1,000,000. **Defense Costs** for any **Fiduciary Claim** are included in and not in addition to the maximum limit of liability as set forth herein.

VII. The following is added to Section XXII. CHANGES IN EXPOSURE:

If after the inception date of this Policy:

- (1) an **Employee Benefit Plan** for which coverage is provided under this Policy is merged with an **Employee Benefit Plan** for which coverage is also provided under this Policy, this Policy shall continue in full force and effect as respects both plans; or
- (2) an **Employee Benefit Plan** for which coverage is provided under this Policy is merged with another **Employee Benefit Plan** for which coverage is not provided under this Policy, this Policy shall continue in full force and effect as respects the Covered Plan as to a **Wrongful Fiduciary Act** occurring prior to the date of such merger, but coverage will cease as respects any actual or alleged **Wrongful Fiduciary Act** occurring after the merger; or
- (3) an **Employee Benefit Plan** is sold or terminated, this Policy shall continue in full force and effect as respects a **Wrongful Fiduciary Act** occurring prior to the date of the sale or termination, but coverage will cease as respects any actual or alleged **Wrongful Fiduciary Act** occurring after the date of the sale or termination;

provided that the **Parent Organization** shall give the **Company** written notice of such merger, sale or termination as soon as practicable, but not later than 30 days after the effective date of the merger, sale or termination.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

<i>SERFF Tracking Number:</i>	<i>WESA-125692513</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>United States Liability Insurance Company</i>	<i>State Tracking Number:</i>	<i>#29532 \$50</i>
<i>Company Tracking Number:</i>	<i>PROF-CAP-08-32</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.0019 Professional Errors & Omissions Liability</i>
<i>Product Name:</i>	<i>Community Association Program</i>		
<i>Project Name/Number:</i>	<i>Professional Liability Submission/PROF-CAP-08-32</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: WESA-125692513 State: Arkansas
Filing Company: United States Liability Insurance Company State Tracking Number: #29532 \$50
Company Tracking Number: PROF-CAP-08-32
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.0019 Professional Errors & Omissions Liability
Product Name: Community Association Program
Project Name/Number: Professional Liability Submission/PROF-CAP-08-32

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 06/24/2008

Comments:

Attached is the NAIC form.

Attachment:

NAIC 01-06 - AR.pdf

Satisfied -Name: Letter of Authorization **Review Status:** Approved 06/24/2008

Comments:

Attached is the Letter of Authorization

Attachment:

Westmont Authorization Letter.pdf

Satisfied -Name: Side by Side Comparison **Review Status:** Approved 06/24/2008

Comments:

Attached is the Side by Side Comparison of form CAP-220.

Attachment:

CAP-220 Comparison.pdf

Satisfied -Name: Cover Letter **Review Status:** Approved 06/24/2008

Comments:

Attached is the Cover Letter.

Attachment:

Cover Letter.pdf

1. Reserved for Insurance Dept. Use Only

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h. Subject Codes

Q2006 National Association of Insurance Commissioners

Property & Casualty Transmittal Document ---

20.	This filing transmittal is part of Company Tracking #	PROF-CAP-08-32
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Submission of revised endorsement for Company's Community Association Product

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [if a state requires you to show how you calculated your filing fees, place that calculation below]			
	<table border="1"> <tr> <td>Check #:</td> <td>29532</td> </tr> <tr> <td>Amount:</td> <td>\$50.00</td> </tr> </table>	Check #:	29532	Amount:
Check #:	29532			
Amount:	\$50.00			

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	PROF-CAP-08-32			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	n/a			

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Fiduciary Liability Coverage Endorsement	CAP-220 (6/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP-220 (3/04)	
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1



UNITED STATES LIABILITY INSURANCE GROUP

A BERKSHIRE HATHAWAY COMPANY

190 South Warner Road, P.O. Box 6700, Wayne, PA 19087-4391
610.688.2535 888.523.5545 Fax 610.688.4391

1/7/2008

RE: United States Liability Ins Company: NAIC #0031-25895 FEIN#23-1383313
Mount Vernon Fire Insurance Company NAIC #0031-26522 FEIN#23-1575334
U.S. Underwriters Insurance Company NAIC #0031-35416 FEIN#23-2049904

Dear Sir or Madam,

In accordance with the applicable statutes and regulations of your state, Nancy Stepanski and Westmont Associates, Inc. is hereby authorized to file form, rate and rule filings on behalf of the above captioned companies.

Sincerely,

Mark Miller
State Filings Manager
United States Liability Insurance Group
190 South Warner Road
Wayne, PA 19087-2191

1.888.523.5545 X586
Fax: 610.688.4391
mmiller@usli.com

UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA

This Endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY COVERAGE
FORM

FIDUCIARY LIABILITY COVERAGE ENDORSEMENT

This endorsement provides coverage for Loss (as defined herein) and Defense Costs (as defined herein) for a Wrongful Fiduciary Act (as defined herein). There is no coverage provided by this endorsement for the Administration of any Plan.

For purposes of coverage provided by this endorsement only, the coverage form referenced above is amended as follows:

I. The terms and conditions of the above referenced coverage form that are applicable to "Wrongful Act" shall also apply to "Wrongful Fiduciary Act" except for Section VI. Lifetime Occurrence Reporting Provision.

II. Section III. DEFINITIONS, is amended as follows:

H. "Employee" does not include an independent contractor or volunteer.

K. "Insured", is deleted and replaced with the following:
"Insured" means the Organization, an Employee Benefit Plan and any Fiduciary.

L. "Loss" shall include damages and settlements which an Insured is legally obligated to pay as a result of a Wrongful Fiduciary Act, including a civil penalty of up to five percent (5%) imposed upon any Fiduciary under Section 502 (i) of ERISA and a civil penalty of up to twenty percent (20%) imposed upon an Insured under section 502 (l) of ERISA.

"Loss" does not mean:

- That portion of any settlement or judgment which constitutes benefits due or to become due or which would be due, under the terms of an Employee Benefit Plan, including but not limited to attorney fees incurred by a beneficiary to recover benefits except to the extent that benefits and attorney fees are payable as a personal obligation of a Fiduciary because of a Wrongful Fiduciary Act;
- Any Loss which is based upon, arises out of or is in consequence of the failure of an Insured to collect or ensure collection of contributions owed by the Organization to an Employee Benefit Plan unless the failure is because of the negligence of any Fiduciary; or
- The return or reversion to the Organization of any Employee's contribution to the Insured if such contribution is or could be chargeable to any Employee Benefit Plan.

Deleted: NOTICE:

Deleted: Fiduciary Liability coverage as defined by "Wrongful Act" below and is not intended to replace Employee Benefits coverage available under your General Liability Insurance Policy. **Defense Costs** for a Fiduciary Liability Claim shall be part of the Limits of Liability.

Deleted: It is hereby agreed that CAP (06/03)

Deleted: <#>Section III. DEFINITIONS, Definition J. is deleted and replaced with the following:¶

¶ J. "Insured" means the **Organization**, the **Plan** and the **Fiduciaries**.

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Deleted: Definition K. is amended by the addition of

Deleted: ¶
"Loss" shall not include:

Deleted: any amount

Deleted: under the terms of the **Plan**, except and to the extent that recovery under such benefits is based upon a covered **Wrongful Act** by an **Insured** who is a natural person and such benefits

Deleted: such Insured;

Deleted: any amount which constitutes

Deleted: the **Plan** which any of the **Insureds** failed to collect

Deleted: such **Insured's** negligence;

Deleted: any amount which constitutes the

Deleted: or asset of the

Deleted: "Loss" will include: The five (5) percent or less civil penalty imposed upon any **Fiduciary** under Section 502(i) of the Employee Retirement Income Security Act of 1974, as amended, and the twenty (20) percent or less penalty imposed upon an **Insured** under section 502(l) of the Employee Retirement Income Security Act of 1974, as amended with respect to covered settlements or judgments.¶

<#>Section III. DEFINITIONS, Definition U. is amended to include the following:¶

¶ "Wrongful Act" means any actual or alleged breach of duty under ERISA by the **Insured** in connection with any **Plan**. However, **Wrongful Act** does not include any actual or alleged act, error, omission, misstatement, misleading statement or neglect in the

Administration of any **Plan** by th... [1]

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Deleted: CAP 220 (03/04) Page 2

III. Section III. DEFINITIONS is amended to add the following:

Z. “Administration” means providing advice, counsel, notice or interpretation to individual Employees, participants or beneficiaries with respect to an Employee Benefit Plan; handling individual records in connection with an Employee Benefit Plan; or performing duties in connection with the enrollment, termination or cancellation of Employees, participants or beneficiaries under an Employee Benefit Plan. “Administration” does not mean performing duties required under ERISA for the notification and education of plan participants as a group, concerning any Employee Benefits Plan.

AA. “ERISA” means the Employee Retirement Income Security Act of 1974.

AB. “Fiduciary” means any past, present or future director, officer, trustee or Employee of the Organization who exercises discretionary authority or discretionary control respecting management of an Employee Benefit Plan or management or disposition of its assets, renders or has authority or responsibility to render investment advice for a fee, or has discretionary authority or responsibility in the administration of such plan.

AC. “Fiduciary Claim” means:

(1) Any written notice received by any Insured that any person or entity intends to hold such Insured responsible for a Wrongful Fiduciary Act; or

(2) Any written demand for monetary or non-monetary relief received by any Insured seeking to hold such Insured responsible for a Wrongful Fiduciary Act; or

(3) Any judicial or administrative proceeding initiated against any Insured seeking to hold such Insured responsible for a Wrongful Fiduciary Act.

A Fiduciary Claim shall be considered first made when an Insured or its legal representative or agent first receives notice of such claim.

AD. “Employee Benefit Plan” means any employee welfare benefit plan(s) or employee pension benefit plan(s) identified in the Application for this Policy as each are defined by ERISA, which is sponsored by the Organization solely for the benefit of Employees of the Organization. Employee Benefit Plan does not mean workers’ compensation, unemployment insurance, social security, or disability benefits or any similar benefits provided under any federal, state, or local law or common law.

AE. “Wrongful Fiduciary Act” means any actual or alleged breach of the responsibilities, obligations or duties imposed on a Fiduciary by ERISA. The same Wrongful Fiduciary Act, and interrelated series of Wrongful Fiduciary Acts or a series of similar or related Wrongful Fiduciary Acts by one or more Insureds shall be deemed to be one Wrongful Fiduciary Act and to have commenced at the time of the earliest Wrongful Fiduciary Act.

However, Wrongful Fiduciary Act does not mean any actual or alleged negligent act, error or omission in the Administration of any Employee Benefit Plan by a Fiduciary or the Organization.

IV. Section IV, EXCLUSIONS, G. is deleted in its entirety.

V. Section IV, EXCLUSIONS is amended to add the following:

S. The **Company** shall not be liable to pay any **Loss** or **Defense Costs** in connection with any **Fiduciary Claim** made against the **Organization** or any **Fiduciary** based upon, directly or indirectly arising out of or in any way involving the **Organization's** or **Fiduciary's** failure to obtain or maintain adequate insurance or bonds covering **Employee Benefit Plan** property or assets.

VI. Section V, LIMITS OF LIABILITY AND RETENTION, is amended to add the following:

J. The maximum limit of liability of the **Company** for Fiduciary Liability under this endorsement shall be the lesser of the amount specified in the Policy Declarations as "IN THE AGGREGATE" or \$1,000,000. **Defense Costs** for any **Fiduciary Claim** are included in and not in addition to the maximum limit of liability as set forth herein.

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VII. The following is added to Section XXII. CHANGES IN EXPOSURE:

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If after the inception date of this Policy:

- (1) an **Employee Benefit Plan** for which coverage is provided under this Policy is merged with an **Employee Benefit Plan** for which coverage is also provided under this Policy, this Policy shall continue in full force and effect as respects both plans; or
- (2) an **Employee Benefit Plan** for which coverage is provided under this Policy is merged with another **Employee Benefit Plan** for which coverage is not provided under this Policy, this Policy shall continue in full force and effect as respects the Covered Plan as to a **Wrongful Fiduciary Act** occurring prior to the date of such merger, but coverage will cease as respects any actual or alleged **Wrongful Fiduciary Act** occurring after the merger; or
- (3) an **Employee Benefit Plan** is sold or terminated, this Policy shall continue in full force and effect as respects a **Wrongful Fiduciary Act** occurring prior to the date of the sale or termination, but coverage will cease as respects any actual or alleged **Wrongful Fiduciary Act** occurring after the date of the sale or termination;

provided that the **Parent Organization** shall give the **Company** written notice of such merger, sale or termination as soon as practicable, but not later than 30 days after the effective date of the merger, sale or termination.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

“**Loss**” will include: The five (5) percent or less civil penalty imposed upon any **Fiduciary** under Section 502(i) of the Employee Retirement Income Security Act of 1974, as amended, and the twenty (20) percent or less penalty imposed upon an **Insured** under section 502(l) of the Employee Retirement Income Security Act of 1974, as amended with respect to covered settlements or judgments.

Section III. DEFINITIONS, Definition U. is amended to include the following:

“**Wrongful Act**” means any actual or alleged breach of duty under ERISA by the **Insured** in connection with any **Plan**. However, **Wrongful Act** does not include any actual or alleged act, error, omission, misstatement, misleading statement or neglect in the **Administration** of any **Plan** by the **Insureds**.

Section III. DEFINITIONS is amended to include the following:

ERISA means the Employee Retirement Income Security Act of 1974 including any revision or amendment thereto. **ERISA** does not include any law concerning workers’ compensation, unemployment insurance, Social Security, government mandated disability benefits or similar law.

Fiduciaries means any of the Directors, Officers, Trustees or any past, present or future employees of the **Organization** who are **Fiduciaries** as defined in **ERISA** with respect to any **Plan**.

Plan means any employee benefit plan(s) or employee welfare plan(s) subject to **ERISA**, which is sponsored, maintained, operated or administered by the **Organization**.

Administration means interpreting or counseling, other than legal counseling, on benefits concerning any **Plan**, handling records in connection with any **Plan**, or activities affecting enrollment, termination or cancellation of employees under any **Plan**. **Administration** however does not include compliance with any duty under **ERISA** to notify or educate plan participants as a group concerning any **Plan**.

Section IV. EXCLUSIONS, Exclusion H. is deleted in its entirety.

Section IV. EXCLUSIONS is amended by the addition of the following:

U. The **Company** shall not be liable to pay any **Loss** in connection with any **Claim** made against the **Insureds** based upon, directly or indirectly arising out of or in any way involving the **Insured’s** failure or omission to procure or maintain insurance or bonds on **Plan** property or assets.

Section V. LIMITS OF LIABILITY AND RETENTION, Paragraph C. is deleted and replaced with the following:

C. **Defense Costs** shall be in addition to the Limits of Liability as shown in the Declarations, except for when Paragraph G. or J. (below) applies.

Section V. LIMITS OF LIABILITY AND RETENTION is amended to include the following:

Any **Claim** involving any actual or alleged breach of duty under **ERISA** by the **Insureds** in connection with any **Plan**, the Limits of Liability will be the lesser of the Coverage Part A, Each Claim Limit, shown in the Declarations or \$1,000,000 in the aggregate. **Defense Costs** for any **Claim** involving any actual or alleged breach of duty under **ERISA** by the **Insureds** in connection with any **Plan** shall be part of the Limits of Liability and not in addition to the limits.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.



**WESTMONT
ASSOCIATES, INC.**

June 19, 2008

The Department of Insurance
Property and Casualty Division
Forms Review Section

RE: United States Liability Insurance Company /NAIC #25895
Community Association Program
Form Revision Submission
Company Filing #: PROF-CAP-08-32
Effective Date: Upon Earliest Possible Approval

To Whom It May Concern:

Enclosed you will find a form revision being filed for the Company's Community Association Program Professional Liability form filing. A letter permitting Westmont Associates, Inc. to submit this filing on the Company's behalf is enclosed.

The Company is filing the following revised version of its endorsement form CAP-220 for its currently filed and approved Community Association Professional Liability Insurance product:

New Form Number	Form Title	Old Form Number
CAP- 220 (6/08)	Fiduciary Liability Coverage Endorsement	CAP-220 (3-04)

The revisions made to the form are to clarify the Company's intent. Please note that there is no rate impact associated with the revisions made to the attached form.

Your approval and/or acknowledgement of this submission is respectfully requested, with the earliest permissible effective date. Thank you for your attention to this matter.

Respectfully Submitted,

Meghan Slenkamp

Meghan Slenkamp

Analyst

meghans@westmontlaw.com

Enclosures

Cc: M. Miller

<i>SERFF Tracking Number:</i>	<i>WESA-125692513</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>United States Liability Insurance Company</i>	<i>State Tracking Number:</i>	<i>#29532 \$50</i>
<i>Company Tracking Number:</i>	<i>PROF-CAP-08-32</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.0019 Professional Errors & Omissions Liability</i>
<i>Product Name:</i>	<i>Community Association Program</i>		
<i>Project Name/Number:</i>	<i>Professional Liability Submission/PROF-CAP-08-32</i>		

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Fiduciary Liability Coverage Endorsement	06/19/2008	CAP-220 (06-08).pdf

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY COVERAGE
FORM**

FIDUCIARY LIABILITY COVERAGE ENDORSEMENT

This endorsement provides coverage for **Loss** (as defined herein) and **Defense Costs** (as defined herein) for a **Wrongful Fiduciary Act** (as defined herein). There is no coverage provided by this endorsement for the **Administration** of any **Plan**.

For purposes of coverage provided by this endorsement only, the coverage form referenced above is amended as follows:

- I. The terms and conditions of the above referenced coverage form that are applicable to “**Wrongful Act**” shall also apply to “**Wrongful Fiduciary Act**” except for Section VI. Lifetime Occurrence Reporting Provision.
 - II. Section III. DEFINITIONS, is amended as follows:
 - H. “**Employee**” does not include an independent contractor or volunteer.
 - K. “**Insured**”, is deleted and replaced with the following:

“**Insured**” means the **Organization**, an **Employee Benefit Plan** and any **Fiduciary**.
 - L. “**Loss**” shall include damages and settlements which an **Insured** is legally obligated to pay as a result of a **Wrongful Fiduciary Act**, including a civil penalty of up to five percent (5%) imposed upon any **Fiduciary** under Section 502 (i) of **ERISA** and a civil penalty of up to twenty percent (20%) imposed upon an **Insured** under section 502 (l) of **ERISA**.
- “**Loss**” does not mean:
- a. That portion of any settlement or judgment which constitutes benefits due or to become due or which would be due, under the terms of an **Employee Benefit Plan**, including but not limited to attorney fees incurred by a beneficiary to recover benefits except to the extent that benefits and attorney fees are payable as a personal obligation of a **Fiduciary** because of a **Wrongful Fiduciary Act**;
 - b. Any **Loss** which is based upon, arises out of or is in consequence of the failure of an **Insured** to collect or ensure collection of contributions owed by the **Organization** to an **Employee Benefit Plan** unless the failure is because of the negligence of any **Fiduciary**; or
 - c. The return or reversion to the **Organization** of any **Employee’s** contribution to the **Insured** if such contribution is or could be chargeable to any **Employee Benefit Plan**.

III. Section III. DEFINITIONS is amended to add the following:

Z. “Administration” means providing advice, counsel, notice or interpretation to individual **Employees**, participants or beneficiaries with respect to an **Employee Benefit Plan**; handling individual records in connection with an **Employee Benefit Plan**; or performing duties in connection with the enrollment, termination or cancellation of **Employees**, participants or beneficiaries under an **Employee Benefit Plan**. **“Administration”** does not mean performing duties required under **ERISA** for the notification and education of plan participants as a group, concerning any **Employee Benefits Plan**.

AA. “ERISA” means the Employee Retirement Income Security Act of 1974.

AB. “Fiduciary” means any past, present or future director, officer, trustee or **Employee** of the **Organization** who exercises discretionary authority or discretionary control respecting management of an **Employee Benefit Plan** or management or disposition of its assets, renders or has authority or responsibility to render investment advice for a fee, or has discretionary authority or responsibility in the administration of such plan.

AC. “Fiduciary Claim” means:

(1) Any written notice received by any **Insured** that any person or entity intends to hold such **Insured** responsible for a **Wrongful Fiduciary Act**; or

(2) Any written demand for monetary or non-monetary relief received by any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Fiduciary Act**; or

(3) Any judicial or administrative proceeding initiated against any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Fiduciary Act**.

A **Fiduciary Claim** shall be considered first made when an **Insured** or its legal representative or agent first receives notice of such claim.

AD. “Employee Benefit Plan” means any employee welfare benefit plan(s) or employee pension benefit plan(s) identified in the **Application** for this Policy as each are defined by **ERISA**, which is sponsored by the **Organization** solely for the benefit of **Employees** of the **Organization**. **Employee Benefit Plan** does not mean workers’ compensation, unemployment insurance, social security, or disability benefits or any similar benefits provided under any federal, state, or local law or common law.

AE. “Wrongful Fiduciary Act” means any actual or alleged breach of the responsibilities, obligations or duties imposed on a **Fiduciary** by **ERISA**. The same **Wrongful Fiduciary Act**, and interrelated series of **Wrongful Fiduciary Acts** or a series of similar or related **Wrongful Fiduciary Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Fiduciary Act** and to have commenced at the time of the earliest **Wrongful Fiduciary Act**.

However, **Wrongful Fiduciary Act** does not mean any actual or alleged negligent act, error or omission in the **Administration** of any **Employee Benefit Plan** by a **Fiduciary** or the **Organization**.

IV. Section IV, EXCLUSIONS, G. is deleted in its entirety.

V. Section IV, EXCLUSIONS is amended to add the following:

- S. The **Company** shall not be liable to pay any **Loss** or **Defense Costs** in connection with any **Fiduciary Claim** made against the **Organization** or any **Fiduciary** based upon, directly or indirectly arising out of or in any way involving the **Organization's** or **Fiduciary's** failure to obtain or maintain adequate insurance or bonds covering **Employee Benefit Plan** property or assets.

VI. Section V, LIMITS OF LIABILITY AND RETENTION, is amended to add the following:

- J. The maximum limit of liability of the **Company** for Fiduciary Liability under this endorsement shall be the lesser of the amount specified in the Policy Declarations as "IN THE AGGREGATE" or \$1,000,000. **Defense Costs** for any **Fiduciary Claim** are included in and not in addition to the maximum limit of liability as set forth herein.

VII. The following is added to Section XXII. CHANGES IN EXPOSURE:

If after the inception date of this Policy:

- (1) an **Employee Benefit Plan** for which coverage is provided under this Policy is merged with an **Employee Benefit Plan** for which coverage is also provided under this Policy, this Policy shall continue in full force and effect as respects both plans; or
- (2) an **Employee Benefit Plan** for which coverage is provided under this Policy is merged with another **Employee Benefit Plan** for which coverage is not provided under this Policy, this Policy shall continue in full force and effect as respects the Covered Plan as to a **Wrongful Fiduciary Act** occurring prior to the date of such merger, but coverage will cease as respects any actual or alleged **Wrongful Fiduciary Act** occurring after the merger; or
- (3) an **Employee Benefit Plan** is sold or terminated, this Policy shall continue in full force and effect as respects a **Wrongful Fiduciary Act** occurring prior to the date of the sale or termination, but coverage will cease as respects any actual or alleged **Wrongful Fiduciary Act** occurring after the date of the sale or termination;

provided that the **Parent Organization** shall give the **Company** written notice of such merger, sale or termination as soon as practicable, but not later than 30 days after the effective date of the merger, sale or termination.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.